

ASSEMBLY BILL

No. 1418

Introduced by Assembly Member Jerome Horton

February 22, 2005

An act to add Section 1367.91 to the Health and Safety Code, and to add Section 10123.91 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1418, as introduced, Jerome Horton. Health care coverage: maternity benefits.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, regulates health care service plans and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance, and prohibits a health care service plan or health insurer that provides coverage for maternity benefits from restricting certain benefits.

This bill would, except as specified, require a health care service plan or health insurance policy that does not include maternity benefits to provide notice, at the time of solicitation, that the plan or policy does not cover or provide those benefits.

Because a violation of the bill's provisions relating to health care service plans would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares the
2 following:

3 (a) Health insurance premiums have steadily risen by double
4 digits every year since 2001. In light of this, mandating
5 individual Californians to purchase new benefits, such as
6 maternity benefits, is counterproductive to efforts to make health
7 insurance more affordable and available to low-income and
8 moderate-income people or those who do not receive
9 employer-sponsored coverage.

10 (b) Furthermore, mandating maternity benefits could have the
11 unintended consequence of forcing Californians that purchase
12 their own coverage for themselves and their children out of the
13 health insurance market altogether, further adding to California's
14 uninsured population.

15 (c) At the same time, the Legislature recognizes that a
16 consumer should be adequately informed whenever he or she
17 purchases an insurance policy that does not cover maternity
18 benefits. Therefore, having balanced the competing policy
19 interests, Californians would be better served by requiring all
20 health care service plans and health insurance policies that do not
21 cover maternity benefits to include a clear notice to the
22 consumer.

23 SEC. 2. Section 1367.91 is added to the Health and Safety
24 Code, to read:

25 1367.91. (a) Each health care service plan that offers a plan
26 contract that does not include maternity benefits shall make
27 available at the time of solicitation the following notice, as part
28 of the sales material, in 12-point type:
29

30 "IMPORTANT NOTICE

31 PLEASE BE AWARE THAT YOU HAVE ENROLLED IN A
32 PLAN THAT DOES NOT COVER OR PROVIDE BENEFITS
33 FOR PREGNANCY OR MATERNITY CARE. NO BENEFITS
34 WILL BE PAID FOR ANY CARE OR TREATMENT
35 RELATED TO PREGNANCY OR MATERNITY CARE,

1 INCLUDING, BUT NOT LIMITED TO, PRENATAL CARE,
2 AMBULATORY CARE MATERNITY SERVICES,
3 NEONATAL CARE, INPATIENT HOSPITAL MATERNITY
4 CARE, INCLUDING LABOR OR DELIVERY, ELECTIVE
5 TERMINATION OF PREGNANCY, OR POSTPARTUM
6 CARE.”

7
8 SEC. 3. Section 10123.91 is added to the Insurance Code, to
9 read:

10 10123.91. (a) Each insurer that offers a health insurance
11 policy that does not include maternity benefits shall make
12 available at the time of solicitation the following notice, as part
13 of the sales material, in 12-point type:

14
15 “IMPORTANT NOTICE:
16 PLEASE BE AWARE THAT YOU HAVE PURCHASED A
17 POLICY THAT DOES NOT COVER OR PROVIDE
18 BENEFITS FOR PREGNANCY OR MATERNITY CARE. NO
19 BENEFITS WILL BE PAID FOR ANY CARE OR
20 TREATMENT RELATED TO PREGNANCY OR
21 MATERNITY CARE, INCLUDING, BUT NOT LIMITED TO,
22 PRENATAL CARE, AMBULATORY CARE MATERNITY
23 SERVICES, NEONATAL CARE, INPATIENT HOSPITAL
24 MATERNITY CARE, INCLUDING LABOR OR DELIVERY,
25 ELECTIVE TERMINATION OF PREGNANCY, OR
26 POSTPARTUM CARE.”

27 (b) This section shall not apply to Medicare supplement,
28 short-term limited duration health insurance, vision-only,
29 dental-only or Champus-supplement insurance, or to hospital
30 indemnity, hospital-only, accident-only, or specified disease
31 insurance.

32 SEC. 4. No reimbursement is required by this act pursuant to
33 Section 6 of Article XIII B of the California Constitution because
34 the only costs that may be incurred by a local agency or school
35 district will be incurred because this act creates a new crime or
36 infraction, eliminates a crime or infraction, or changes the
37 penalty for a crime or infraction, within the meaning of Section
38 17556 of the Government Code, or changes the definition of a
39 crime within the meaning of Section 6 of Article XIII B of the
40 California Constitution.

1

O